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MILK MARKET INFORMATION BULLETIN  
CHATTANOOGA, TENNESSEE MARKETING AREA

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Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411  
J. B. McCroskey, Market Administrator

MARKET SUMMARY - JUNE 1965

The Order MINIMUM uniform producer prices per cwt. f.o.b. pool plants for milk testing 3.5% are: Base Milk \$4.54, Excess Milk \$2.62. The butterfat differential is 7.4 cents for each one-tenth of one percent above or below 3.5%. It is understood the Chattanooga Area Milk Producers Association will pay a 14 cent premium on Base Milk deliveries or \$4.68 per cwt.

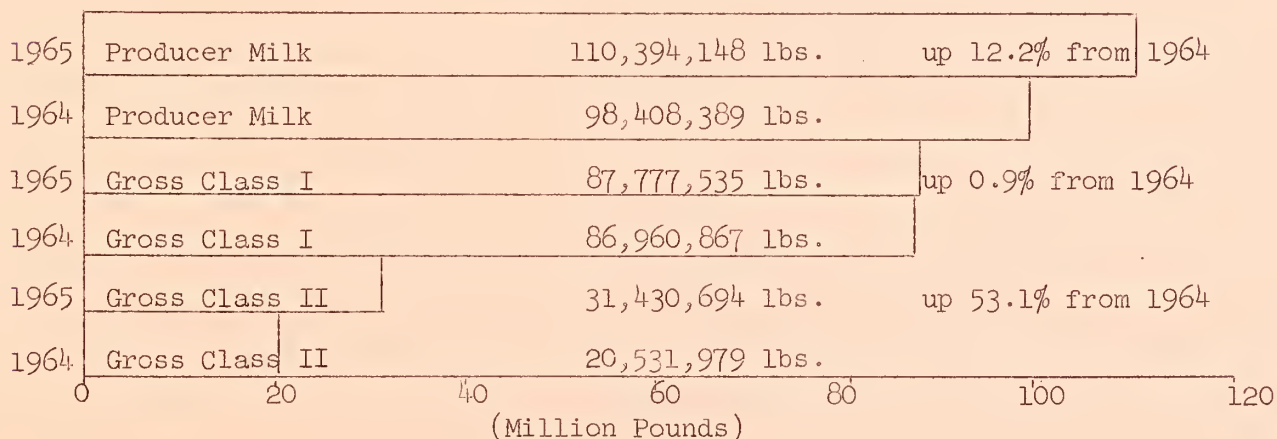
During June 72.2% of the total producer milk was priced in Class I at \$5.01 per cwt. with a butterfat differential of 7.7 cents and 27.8% priced in Class II at \$2.66 per cwt. with a butterfat differential of 6.8 cents. The daily average use of Gross Class I decreased 5.5% compared with May 1965 and decreased 0.8% compared with June 1964.

The daily average producer deliveries was 604,897 pounds in June 1965, a decrease of 28,117 pounds per day compared with May 1965 and an increase of 74,764 pounds compared with June 1964. Percentage-wise, June deliveries decreased 4.4% compared with May 1965 and increased 14.1% compared with June 1964. Base milk was 89.4% and excess milk was 10.6% of the total producer deliveries. All excess milk and 19.3% of base milk was priced in Class II at \$2.66 per cwt. and 80.7% of base milk was priced in Class I at \$5.01 per cwt.

LABORATORY ACTIVITIES - Producer Fresh Milk Tests 5,652 - Handler Products 244.

The average reported butterfat tests of handlers' Class I packaged products for June 1965 were: Homo Milk - 3.93%, Special Skim - 2.32%, Regular Skim - 0.37%, Buttermilk - 0.43%, Flavored Milk - 3.64%, Flavored Drink - 1.48%, Half and Half - 11.93%, Coffee Cream - 20.26%, Whip Cream - 36.11%, and Sour Cream - 18.44%.

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION  
(January thru June)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	% June '65 Over June '64	June 1965	May 1965	June 1964
Number of Plants (Pool and Non-Pool)		12	12	13
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk - Base	+ 12.2	540,916	559,253	482,237
- Excess	+ 33.6	63,981	73,761	47,896
- Total	+ 14.1	604,897	633,014	530,133
Other Source	+ 29.3	23,647	20,102	18,288
Other Federal Orders	+ 3.7	37,560	38,818	36,237
Total Milk Receipts	+ 13.9	666,104	691,934	584,658
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>				
Class I Uses:				
Fluid Milk	- 0.1	365,468	394,372	365,666
Fluid Skim	- 9.5	21,061	20,600	23,274
Buttermilk	- 4.8	42,755	42,658	44,901
Flavored Milk and Drink	- 3.2	12,745	12,044	13,167
Fluid Cream (Sweet and Sour)	+ 4.9	2,700	2,869	2,575
Other (Shrinkage, Inventory, etc.)		3,820	1,308	1,679
Transfers to Non-Pool Plants		313	931	1,390
Total Class I Milk	- 0.8	448,862	474,782	452,652
Class II Uses:				
Ice Cream Mixes		53,381	47,705	39,152
Cottage Cheese		19,845	20,349	24,620
Powdered and Condensed Milk		78,371	74,715	37,849
Livestock Feed and Skim Dumped		6,451	6,100	6,223
Shrinkage Class II		10,471	9,170	10,220
Other (Butter, Inventory, etc.)		3,178	3,471	(2,836)
Transfers to Non-Pool Plants		45,545	55,642	16,778
Total Class II Milk	+ 64.6	217,242	217,152	132,006
Class I Pounds in Marketing Area	- 0.9	267,712	291,824	270,162
Class I Pounds Outside Marketing Area	- 0.7	181,150	182,958	182,490
Gross Class I Butterfat Pounds	+ 0.5	16,072	16,913	15,998
Gross Class II Butterfat Pounds	+ 48.5	9,204	9,469	6,198
Total Butterfat Pounds	+ 13.9	25,276	26,382	22,196
% Producer Milk of Gross Class I		134.8	133.3	117.1
% Producer Milk priced in Class I		72.2	73.5	84.8

JULY 1965 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	July '65	June '65	July '64
Basic Formula	\$3.20	\$3.22	\$3.11
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	0.00	0.04	0.30
Class I Price, 3.5% Butterfat	\$4.95	\$5.01	\$5.16
Per \$1090.51(a)			
Supply-Demand Comparison: 1st and 2nd preceding months: May and June			
Supply: Lbs. Producer Milk (May 19,623,444 and June 18,146,911)			37,770,355
Demand: Lbs. Net Class I Milk (May 14,605,522 and June 13,358,593)			27,964,115
Utilization Percentage: Producer milk divided by Class I			135
Standard Utilization Percentage: Range 134-138			135
Net Deviation Percentage: Utilization minus Standard Utilization			-0-
Supply-Demand Adjustment: 2 cents x 0 percentage points			\$0.00

The price is not adjusted by the supply-demand formula, since the supply in relation to the demand is within the standard utilization range of 134-138.



COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES  
AND WEIGHTED AVERAGE PRICE

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JUNE 1965	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		13,465,884	3.581		
Less Other Source		370,720	3.129		
Producer Milk Class I	72.2	13,095,164	3.593296	\$5.081838	\$665,475.02
Gross Class II		6,517,240	4.237		
Less Other Source		1,465,493	2.561		
Producer Milk Class II	27.8	5,051,747	4.723317	3.491856	176,399.73
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	18,146,911	3.907872		\$841,874.75
Less Fractional Adjustment					.08
Add Value of Other Source Receipts					
Prorated to Class I and Location Adj.		59,294			2,403.68
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					8,226.15
TOTAL VALUE AT TEST		18,206,205	3.902499	\$4.682494	\$852,504.50
Less Test over 3.5% @ 7.4¢ per point		18,206,205	.402499	.297849	54,227.00
TOTAL UTILIZATION VALUE AT 3.5%		18,206,205	3.5	\$4.384645	\$798,277.50
Less Reserve Per \$1090.71(f)		18,206,205		.044645	
WEIGHTED AVERAGE PRICE @ 3.5% TEST		18,206,205		\$4.34	
Less FMP From Unregulated Supply Plants					
Allocated to Class I @ Wt. Av. Price		59,294	3.5	\$4.34	2,573.36
TOTAL PRODUCER MILK VALUE @ 3.5% TEST		18,146,911	3.5		\$795,704.14
		Pounds	Price	Amount	
Excess Producer Milk Used in Class I		-	-	-	
Excess Producer Milk Used in Class II		1,919,438	\$2.66	\$51,057.05	
Total Value of Excess Milk		1,919,438	2.66	51,057.05	
Less Prod.-Settlement Fund Reserve @ 4¢		1,919,438	.04		767.77
UNIFORM EXCESS PRICE @ 3.5% TEST		1,919,438	2.62		\$ 50,289.28
Total Value of Base Milk		16,227,473	4.588805		744,647.09
Less Producer-Settlement Fund Reserve		16,227,473	.048805		7,919.82
UNIFORM BASE PRICE @ 3.5% TEST		16,227,473	\$4.54		\$736,727.27

JUNE 1965 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)  
BUTTERFAT DIFFERENTIAL 7.4¢ PER POINT (EXCLUDING PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0	\$4.17	\$2.25	4.0	\$4.91	\$2.99	5.0	\$5.65	\$3.73
3.05	4.207	2.287	4.05	4.947	3.027	5.05	5.687	3.767
3.1	4.244	2.324	4.1	4.984	3.064	5.1	5.724	3.804
3.15	4.281	2.361	4.15	5.021	3.101	5.15	5.761	3.841
3.2	4.318	2.398	4.2	5.058	3.138	5.2	5.798	3.878
3.25	4.355	2.435	4.25	5.095	3.175	5.25	5.835	3.915
3.3	4.392	2.472	4.3	5.132	3.212	5.3	5.872	3.952
3.35	4.429	2.509	4.35	5.169	3.249	5.35	5.909	3.989
3.4	4.466	2.546	4.4	5.206	3.286	5.4	5.946	4.026
3.45	4.503	2.583	4.45	5.243	3.323	5.45	5.983	4.063
3.5	4.54	2.62	4.5	5.28	3.36	5.5	6.02	4.10
3.55	4.577	2.657	4.55	5.317	3.397	5.55	6.057	4.137
3.6	4.614	2.694	4.6	5.354	3.434	5.6	6.094	4.174
3.65	4.651	2.731	4.65	5.391	3.471	5.65	6.131	4.211
3.7	4.688	2.768	4.7	5.428	3.508	5.7	6.168	4.248
3.75	4.725	2.805	4.75	5.465	3.545	5.75	6.205	4.285
3.8	4.762	2.842	4.8	5.502	3.582	5.8	6.242	4.322
3.85	4.799	2.879	4.85	5.539	3.619	5.85	6.279	4.359
3.9	4.836	2.916	4.9	5.576	3.656	5.9	6.316	4.396
3.95	4.873	2.953	4.95	5.613	3.693	5.95	6.353	4.433

## CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES <sup>1/</sup>				HANDLER CLASS PRICES <sup>1/</sup>			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
June '64	\$4.78 <sup>2/</sup>	\$5.00	\$2.62	7.4¢	\$5.19	7.5¢	\$2.66	6.7¢
July	4.72 <sup>2/</sup>	4.99	2.62	7.4	5.16	7.5	2.66	6.7
Aug.	4.51	-	-	7.2	5.05	7.5	2.66	6.8
Sept.	4.60	-	-	7.6	4.80	7.7	3.26	7.1
Oct.	4.71	-	-	7.8	4.87	8.0	3.23	7.0
Nov.	4.83	-	-	7.8	5.10	7.9	3.30	7.2
Dec.	4.75	-	-	7.8	5.10	8.1	3.18	6.8
Jan. '65	4.66	-	-	7.4	5.06	7.7	3.12	6.7
Feb.	4.59	-	-	7.2	5.00	7.5	2.80	6.7
Mar.	4.54 <sup>2/</sup>	4.67	2.73	7.2	4.97	7.5	2.77	6.7
Apr.	4.41 <sup>2/</sup>	4.63	2.69	7.2	4.97	7.5	2.73	6.8
May	4.35 <sup>2/</sup>	4.57	2.64	7.4	4.98	7.7	2.68	6.8
June	4.34 <sup>2/</sup>	4.54	2.62	7.4	5.01	7.7	2.66	6.8
July	-	-	-	-	4.95	7.7	-	-

## PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS			BASIC FORMULA	
	4 Tenn.	Butter	4 Tenn. Milk Mfg.	Chi. 92° Butter	Chi. Area Powder	Minn.-Wisc. Mfg. Grade Milk	
	Milk Mfg.	Powder	\$-cwt-4%	¢ Lb.	¢ Lb.	\$-cwt-3.5%	
June '64	2.66	3.12	3.000	57.97	14.24	3.11	
July	2.66	3.12	3.000	58.00	14.23	3.12	
Aug.	2.66	3.19	3.000	59.51	14.30	3.15	
Sept.	2.72	3.26	3.075	61.32	14.30	3.24	
Oct.	2.77	3.23	3.119	60.47	14.29	3.27	
Nov.	2.79	3.30	3.150	62.27	14.23	3.29	
Dec.	2.81	3.18	3.150	59.24	14.20	3.29	
Jan. '65	2.81	3.12	3.144	58.00	14.23	3.25	
Feb.	2.80	3.12	3.138	57.99	14.27	3.22	
Mar.	2.77	3.12	3.106	57.99	14.25	3.22	
Apr.	2.73	3.17	3.069	58.97	14.22	3.23	
May	2.68	3.17	3.025	58.97	14.28	3.22	
June	2.66	3.17	3.000	58.97	14.21	3.20	

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK <sup>3/</sup>			PRODUCER DATA <sup>3/</sup>				Deliveries Per			Prod. Milk Test
	No.	Total	Class I	Class I	Total	Base	No.	Farm----Pounds			
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base	Exc.	
June '64	13	584,658	452,652	449,792	530,133	482,237	655	809	736	73	3.91
July	13	575,476	449,846	445,827	536,759	476,599	655	819	728	91	3.91
Aug.	13	635,915	465,231	460,229	591,239	-	685	863	-	-	3.94
Sept.	13	655,234	549,204	544,006	618,771	-	683	906	-	-	3.99
Oct.	13	611,925	542,454	537,447	579,111	-	682	849	-	-	4.24
Nov.	13	615,385	504,706	498,734	577,281	-	680	849	-	-	4.24
Dec.	12	609,740	495,937	489,893	577,526	-	681	848	-	-	4.29
Jan. '65	12	635,352	495,024	489,397	596,941	-	679	879	-	-	4.21
Feb.	12	633,315	499,973	487,604	591,247	-	676	875	-	-	4.22
Mar.	12	626,314	493,880	482,738	590,445	552,135	673	877	820	57	4.17
Apr.	12	697,689	497,938	487,481	641,997	569,848	667	963	854	109	4.02
May	12	691,934	474,782	465,221	633,014	559,253	668	948	837	111	3.91
June	12	666,104	448,862	436,505	604,897	540,916	665	910	813	97	3.91

<sup>1/</sup> Excludes Premiums<sup>2/</sup> Weighted Average Price<sup>3/</sup> Other Source is Gross minus Producer; Class II is Receipts minus Class I